
From: Walser, John
Sent: Monday, August 28, 2017 3:05 PM
To: Martin, John
Cc: Donaldson, Guy; Stenger, Wren; Shar, Alan; Price, Lisa; Kodish, Jeff; Gustafson, Kurt; Carroll, Craig; Smith, Monica; Foster, Althea; Smalley, Bryant; Loesel, Matthew; Restivo, Angela
Subject: Summary of Louisiana/Texas Fuel Waiver Call Monday, August 28th 1 PM CT

Hello John et al,

Summary of our fuel waiver call today at 1pm:

Participants: EPA HQs, OGC, OTAQ, OECA, R6, TCEQ and LDEQ:

Team gave an update on the hurricane status - storm is slowly moving SE and impacts are now reaching into Louisiana and continue to potentially bring the Houston area up to 20 more inches of rain.

Refinery Shutdowns – 9 refineries shutdown with over 800,000 barrels per day (BPD), R6 reported on refinery shutdown information per the August 28th list received from DOE today and read for the group those refineries with a status marked as “shutdown” and the capacity in BPD. Total is much more than 800,000 BPD.

TCEQ Update (Minor Hibbs)

Statement that the waiver is now having the intended affect.

Dye Requirements for Motor Vehicle Diesel Fuel:

Minor talked about the diesel red dye issue and for the desire for a waiver for red dye diesel so the fuel can be used on-road.

EPA and the IRS are going to work on this issue. EPA will coordinate with the IRS and provided IRS contact information (Alfredo) for TCEQ. Waivers will be issued independently from both the EPA and the IRS but can be processed in parallel.

There are two sets of regulations, EPA’s and the IRS’s.

OTAQ reviewed the diesel red dye requirements found in 40 CFR 80.520. All motor vehicle diesel fuel shall be free of visible evidence of dye solvent red 164, exceptions for municipal fleets. Allowed to be used in on-highway vehicles.

The IRS independently assesses their regulation regarding red dye diesel and watches our waiver process closely as well. Chris McKenna stated that TCEQ needs to work with the IRS on that process and determine if a formal request is needed or perhaps just a phone call etc. Jeff stated that TCEQ could review our fuel waiver web site and take a look at the 2012 waivers for red dye diesel for information.

Post-meeting update (Phil Brooks):

In a conversation a few minutes ago TCEQ explained that they did not think issuance of the waiver was urgent and that issuance tomorrow would be sufficient. As soon as we receive the formal request, we will push the waiver forward.

Louisiana (LDEQ)

On August 28th, the EPA received the waiver request from Louisiana to waive low RVP fuel for the parishes specified below:

- Ascension, East Baton Rouge, Iberville, Livingston, and West Baton Rouge (Baton Rouge Ozone Nonattainment Area)
- Beauregard, Calcasieu, Jefferson, Lafayette, Lafourche, Orleans, Point Coupee, St. Bernard, St. Charles, St. James, and St. Mary

EPA requested that LDEQ submit more detailed information on specifics regarding shortages of fuel, product on-hand and days of supply left.

LDEQ stated (Vivian) they are waiting for total in storage data right now, they are transporting fuel into Texas, and running low on summertime fuel.

Also, they feed into the colonial and plantation pipelines, but do not receive from them

Vivian wants 9.0 versus 7.8 at least, and to have the ability to use whatever is available, even if it is 11.5 RVP fuel.

One EPA approach – work on process for 9.0 first, then deal with 11.5 which has more implications in other regional areas of the country. LDEQ will provide information regarding data on existing storage.

Ethanol Supplies

Jeff asked if there were any reported issues, and or updates on shortages of ethanol – none were reported.

Butane Containment Issues

Butane storage facilities and locations. Jeff asked if there were issues in Houston and other areas as well.

Butane is removed from summertime fuel and is stored – potential problem if there are storage location issues. In wintertime, butane is blended back in.

Waiver helps with this issue.

Harvey Potential Impacts on Other CAA Issues

Minor state that this group only handles fuel and that Romero Garcia would be the TCEQ Enforcement group contact for these other CAA issues. Guy state the we would expect to hear from Romero as problems surface.

R6 stated there are recent reports of issues with chemical plants and flood waters.

TCEQ stated that ERCOT is part of the state operations center.

Next Steps

Continue with our on-going 1 pm CT call that will now include LDEQ staff as well. Next call tomorrow at 1 pm CT.

If you have any questions, please do let me know.

John

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